

**WEST CALCASIEU AIRPORT**  
**MANAGING BOARD**  
Sulphur, Louisiana

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Financial Report  
June 30, 2013

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**WEST CALCASIEU AIRPORT MANAGING BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2013**

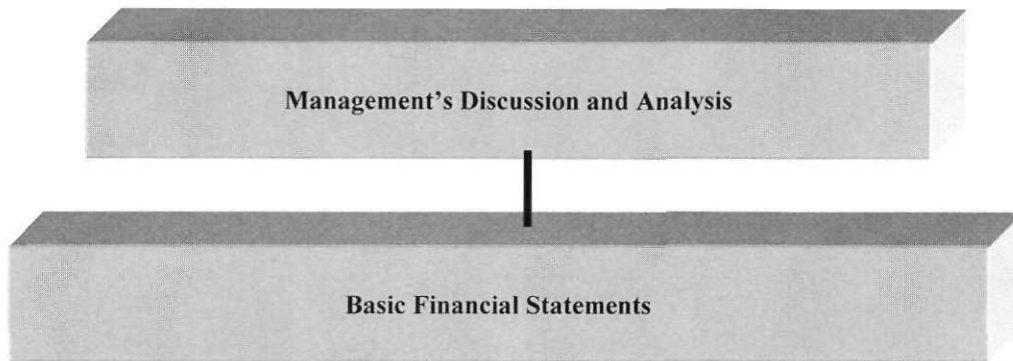
The Management's Discussion and Analysis of the West Calcasieu Airport Managing Board's financial performance presents a narrative overview and analysis of the Airport's financial activities for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

**FINANCIAL HIGHLIGHTS**

- The Airport's assets exceeded its liabilities at the close of the fiscal year 2013 by \$4,006,731. Of this amount, \$379,843 may be used to meet the Airport's ongoing obligations to its users.
- The Airport's operating revenue decreased \$665 and the net operating income decreased by \$33,190 from prior year. The operating income decrease was mainly due to increased repairs and maintenance. The change in net position decreased by \$39,981 primarily as a result of decreased capital contributions and increased operating expenses.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU AIRPORT MANAGING BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2013**

**Basic Financial Statements**

The basic financial statements present information for the Airport as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 8) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is Net Position and may provide a useful indicator of whether the financial position of the Airport is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (page 9) presents information showing how the Airport's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in Net Position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 10-11) presents information showing how the Airport's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	<b>06/13</b>	<b>06/12</b>
Current and other assets	\$ 531,360	\$ 553,149
Capital assets	3,709,213	3,969,894
Total Assets	4,240,573	4,523,043
Current Liabilities	139,818	268,937
Long-term debts outstanding	94,024	127,920
Total Liabilities	233,842	396,857
Net Position:		
Capital Net of Debt	3,612,160	3,842,276
Restricted	14,728	14,728
Unrestricted	379,843	269,182
Total Net Position	4,006,731	4,126,186

**WEST CALCASIEU AIRPORT MANAGING BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2013**

	<b>06/13</b>	<b>06/12</b>
Operating Revenues	\$ 187,219	\$ 187,884
Operating Expenses	<679,542>	<647,017>
Net Operating Income/(Loss)	<492,323>	<459,133>
Non-operating Revenues	200,385	201,094
Non-operating (Expenses)	<6,360>	<7,306>
Net Non-operating Income/(Loss)	194,025	193,788
Income(Loss) before Contributions	<298,298>	<265,345>
Capital Contributions	178,843	185,871
Change In Net Position	\$ <119,455>	\$ <79,474>

The major sources of revenues include the sale of fuels and supplies and leases of hangars and offices. The major operating expenses include salaries, depreciation, insurance, repairs and utilities expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2013, the Airport had \$3,709,213 net of accumulated depreciation, invested in a broad range of capital assets, including land, right of ways, buildings, roads, terminal improvements, furniture, fixtures, equipment, and construction-in-progress. (See Table Below). This amount represents a decrease (including additions and deductions) of \$260,681 over last year.

	<b>06/13</b>	<b>06/12</b>
Land and Right of Ways	\$ 745,469	\$ 745,469
Building and Terminal Improvements	7,660,480	7,515,321
Furniture, Fixtures, and Equipment	158,067	143,345
Construction-in-Progress	351	100,843
Less Accumulated Depreciation	<4,855,154>	<4,535,084>
Totals	\$ 3,709,213	\$ 3,969,894

**Debt Administration**

The bonds payable balance decreased \$13,640 as principal was paid on the excess revenue bonds, decreasing the balance from \$61,589 to \$47,949 in the current year.

The note payable balance decreased \$16,925 as principal was paid on the note, decreasing the balance from \$66,029 to \$49,104 in the current year.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Airport's finances and to show the Airport's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Darla B. Perry, CPA, West Calcasieu Airport.

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*P.O. Box 202*

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**INDEPENDENT AUDITORS' REPORT**

*Telephone (337) 625-5054*  
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To the Board of Commissioners  
West Calcasieu Airport Managing Board  
Sulphur, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the West Calcasieu Airport Managing Board, a component unit of the Calcasieu Parish Police Jury, the West Calcasieu Port and the Industrial Development Board of the City of Sulphur, Inc. as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the West Calcasieu Airport Managing Board's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the West Calcasieu Airport Managing Board as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Report on Summarized Comparative Information

We have previously audited the West Calcasieu Airport Managing Board's 2012 financial statements, and our report dated November 19, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 2013 on our consideration of the West Calcasieu Airport Managing Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Calcasieu Airport Managing Board's internal control over financial reporting and compliance.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

Sulphur, Louisiana  
December 1, 2013

**WEST CALCASIEU AIRPORT MANAGING BOARD**

**Statement of Net Position**

**June 30, 2013**

**with Comparative Totals for June 30, 2012**

**Assets**

	<u>2013</u>	<u>2012</u>
Current Assets		
Deposits and investments (Note-2)	\$ 422,029	\$ 427,100
Accounts receivable	62,714	68,053
Miscellaneous receivable	4,185	-
Inventories (Note-1G)	27,654	43,218
Total Current Assets	<u>516,582</u>	<u>538,371</u>
Restricted Asset		
Cash with fiscal agent (Note-1H)	14,728	14,728
Total Restricted Asset	<u>14,728</u>	<u>14,728</u>
Plant, Property, and Equipment (Note-1D)		
Buildings and improvements	7,660,480	7,515,321
Furniture, fixtures, and equipment	158,067	143,345
Construction in progress	351	100,843
Accumulated depreciation	(4,855,154)	(4,535,084)
Land	745,469	745,469
Total Plant, Property, and Equipment	<u>3,709,213</u>	<u>3,969,894</u>
Other Assets		
Deposits	50	50
Total Assets	\$ <u>4,240,573</u>	\$ <u>4,523,043</u>

**Liabilities and Net Position**

Current Liabilities		
Accounts payable	\$ 5,072	\$ 133,171
Current portion of notes payable (Note-7)	16,149	16,537
Current portion of bonds payable (Note-3)	13,859	13,640
Accrued liabilities	1,238	2,089
Prepaid revenue	100,000	100,000
Deferred rental revenue (Note-8)	3,500	3,500
Total Current Liabilities	<u>139,818</u>	<u>268,937</u>
Long Term Liabilities		
Notes payable, net of current portion (Note-7)	32,955	49,492
Bonds payable, net of current portion (Note-3)	34,090	47,949
Deferred rental revenue (Note-8)	26,979	30,479
Total Long Term Liabilities	<u>94,024</u>	<u>127,920</u>
Total Liabilities	233,842	396,857
Net Position		
Invested in Capital assets, net of related debt	3,612,160	3,842,276
Restricted for revenue bonds	14,728	14,728
Unrestricted	379,843	269,182
Total Net Position	<u>4,006,731</u>	<u>4,126,186</u>
Total Liabilities and Net Position	\$ <u>4,240,573</u>	\$ <u>4,523,043</u>

The accompanying notes are an integral part of these financial statements.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For The Year Ended June 30, 2013**  
**with Comparative Totals for June 30, 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating Revenues</b>		
Sales, rentals, and service income	\$ 505,241	\$ 560,739
Cost of goods sold	<u>318,022</u>	<u>373,338</u>
Gross Profit	187,219	187,401
Miscellaneous	<u>-</u>	<u>483</u>
Total Operating Revenues	187,219	187,884
<b>Operating Expenses</b>		
Advertising and promotional	4,547	5,711
Bank charges and credit card fees	4,518	5,404
Contract labor	789	650
Continuing professional education	1,000	-
Depreciation	320,070	342,604
Dues and subscriptions	1,104	880
Employee benefits	645	-
Fuel	1,474	-
Insurance	57,217	53,562
Licenses	10	-
Office expense	7,109	2,542
Payroll taxes	8,782	8,324
Professional fees	23,645	21,430
Repairs and maintenance	86,739	57,602
Rent	266	-
Salaries	104,382	100,638
Supplies	8,047	4,484
Telephone	8,732	8,560
Travel	6,758	3,436
Uniforms	5,987	3,928
Utilities	27,721	27,262
Total Operating Expenses	<u>679,542</u>	<u>647,017</u>
<b>Operating Income (Loss)</b>	(492,323)	(459,133)
<b>Non-operating Income (Expenses)</b>		
Intergovernmental revenue	200,000	200,000
Interest expense	(6,360)	(7,306)
Interest income	385	1,094
Total Non-operating Income (Expenses)	<u>194,025</u>	<u>193,788</u>
<b>Income (Loss) before Contributions</b>	(298,298)	(265,345)
<b>Capital Contributions</b>	<u>178,843</u>	<u>185,871</u>
<b>Change in Net Position</b>	(119,455)	(79,474)
<b>Net Position at Beginning of Year</b>		
As Originally Reported	4,126,186	4,202,319
Prior Period Adjustment	<u>-</u>	<u>3,341</u>
<b>Net Position at Beginning of Year</b>		
As Restated	4,126,186	4,205,660
<b>Net Position at End of Year</b>	<u>\$ 4,006,731</u>	<u>\$ 4,126,186</u>

The accompanying notes are an integral part of these financial statements.

**WEST CALCASIEU AIRPORT MANAGING BOARD**

**Statement of Cash Flows**

**For the Year Ended June 30, 2013**

**with Comparative Totals for June 30, 2012**

Increase (Decrease) In Cash and Cash Equivalents

	<u>2013</u>	<u>2012</u>
<b>Cash Flows From Operating Activities:</b>		
Receipts from customers and others	\$ 502,895	\$ 528,341
Payments to suppliers and other operating expenses	(676,865)	(484,801)
Payments to employees	(114,015)	(110,700)
Other operating cash receipts	<u>-</u>	<u>483</u>
Net Cash (Used) by Operating Activities	(287,985)	(66,677)
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Receipts under intergovernmental agreement	<u>200,000</u>	<u>200,000</u>
Net Cash Provided By Non-Capital Financing Activities	200,000	200,000
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Capital contributions	178,843	185,871
Construction in progress expenditures	(351)	(100,843)
Capital expenditures	(59,426)	(194,862)
Principal payments on notes payable	(16,537)	(15,305)
Principal payments on bonds	(13,640)	(8,434)
Interest payments on notes and bonds	<u>(6,360)</u>	<u>(7,306)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	82,529	(140,879)
<b>Cash Flows From Investing Activities:</b>		
Interest income	<u>385</u>	<u>1,094</u>
Net Increase in Cash and Cash Equivalents	(5,071)	(6,462)
Cash and Cash Equivalents at Beginning of Year	<u>427,100</u>	<u>433,562</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 422,029</u></u>	<u><u>\$ 427,100</u></u>

The accompanying notes are an integral part of these financial statements.

**WEST CALCASIEU AIRPORT MANAGING BOARD**

**Statement of Cash Flows (continued)**

**For the Year Ended June 30, 2013**

**with Comparative Totals for June 30, 2012**

Increase (Decrease) In Cash and Cash Equivalents

	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Operating Income (Loss) to Net</b>		
<b>Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (492,323)	\$ (459,133)
Adjustments To Reconcile Operating Income (Loss) to Net		
Cash Provided by Operating Activities:		
Depreciation	320,070	342,604
(Increase) decrease in receivable	1,154	(28,898)
(Increase) decrease in inventory	15,564	14,951
Increase (decrease) in other assets	-	133
Increase (decrease) in accounts payable	(128,099)	69,037
Increase (decrease) in accrued liabilities	(851)	(1,871)
Increase (decrease) in deferred revenue	(3,500)	(3,500)
 Net Cash (Used) by Operating Activities	 \$ <u>(287,985)</u>	 \$ <u>(66,677)</u>

The accompanying notes are an integral part of these financial statements.

## **WEST CALCASIEU AIRPORT MANAGING BOARD**

Sulphur, Louisiana

### **Notes to Financial Statements**

June 30, 2013

#### **Note 1 – Organization and Summary of Significant Accounting Policies**

On February 1, 2000, the Calcasieu Parish Police Jury, the West Calcasieu Port, Harbor, and Terminal District and the Industrial Development Board of the City of Sulphur, Inc. entered into an amended joint service agreement with the West Calcasieu Airport Managing Board as to the development and operations of the West Calcasieu Airport.

The managing authority of the West Calcasieu Airport shall be vested in a managing board appointed by the above owners. Members would be appointed to the Board on a staggered basis, with each sponsor appointing two members to the Board. Members serve a three-year term and can be reappointed with no limit.

The accompanying financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

##### **A. Financial Reporting Entity**

This report includes all funds that are controlled by or dependent on the Board of Commissioners. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility. The West Calcasieu Airport Managing Board is a component unit of the West Calcasieu Port, Harbor, and Terminal District, the Industrial Development Board of the City of Sulphur, and the Calcasieu Parish Police Jury.

##### **B. Fund Accounting**

Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The accounts of the West Calcasieu Airport Managing Board are organized on the basis of a proprietary fund. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

##### **C. Basis of Accounting**

Basis of accounting refers to when revenues or expense are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on statements of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 1 – Organization and Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting**

The Board distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the entity's ongoing operations. The principal operating revenues of the Board are charges for the sale of fuel and supplies and leases of hangars and offices. Operating expenses include the cost of salaries, depreciation, insurance and utilities expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Board has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

**D. Plant, Property and Equipment**

All fixed assets of the proprietary fund are recorded at historical costs or, if contributed property, at their estimated fair value at the time of contribution. Donated fixed assets include land valued at \$649,700. Depreciation of all exhaustible fixed assets is charged as an expense against their operations. The costs of normal repairs and maintenance that do not add to the value of the assets or materially extend assets lives are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. The Board has a capitalization policy of \$500.

Depreciation has been calculated using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	10-40 years
Furniture, fixtures and equipment	5-10 years

Depreciation expense for the year ending June 30, 2013 totaled \$320,070.

Additions and deletions to property, plant, and equipment for the year ended June 30, 2013 were as follows:

	July 1, 2012	Additions	Deletions	June 30, 2013
Buildings & Improvements	\$ 7,515,321	\$ 145,159	\$ -	\$ 7,660,480
Furniture, Fixtures, and Equipment	143,345	14,722	-	158,067
Accumulated Depreciation	(4,535,084)	(320,070)	-	(4,855,154)
Land	745,469	-	-	745,469
Construction in Progress	100,843	351	100,843	351
Total	\$ 3,969,894	\$ (159,838)	\$ (100,843)	\$ 3,709,213

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 1 – Organization and Summary of Significant Accounting Policies (continued)**

**E. Cash**

The Board considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**G. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market, and consists of fuel, oil and supplies.

**H. Restricted Assets**

The Louisiana Bond Commission requires that a payment equal to 1/10 of the highest debt service coming due in the ensuing year be deposited into a reserve account until such time that the accumulated balance is equal to the highest combined principal and interest coming due in any given year. The State Bond Commission holds this amount in an escrow account.

**I. Restricted Net Position**

In the statement of net position, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

The Board typically uses restricted funds first, followed by any unassigned funds when expenditure is incurred for purposes for which amounts in either of these classifications could be used.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 2 – Deposits and Investments**

At June 30, 2013, the Board has deposits with financial institutions (book balances) as follows:

	<u>2013</u>
<b>Cash</b>	
Demand deposits	\$ 418,970
<b>Investments</b>	
Louisiana Asset Management Pool	2,959
<b>Other</b>	100
<b>Total Cash and Investments</b>	<u>\$ 422,029</u>

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging agent banks in holding or custodial banks that are mutually acceptable to both parties. At June 30, 2013, the Board had \$421,941 in deposits (collected bank balances). These deposits are secured from risk by the \$250,000 of federal deposit insurance at both financial institutions.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer.

Investments held at June 30, 2013 consist of \$2,959 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at June 30, 2013 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 2 – Deposits and Investments (continued)**

authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA – R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**Note 3 – Bonds Payable**

In 1995 and 1997, the West Calcasieu Airport Managing Board entered into reimbursement contracts with the Louisiana Bond Commission. The Board received \$100,000 in bond proceeds with the 1995 A bond issue, fifty percent (50%) of which is required to be reimbursed to the Louisiana Bond Commission by the Board. The 1997 A bond issue provided the Board with \$125,000 in bond proceeds, one hundred percent (100%) of which is required to be reimbursed to the Louisiana Bond Commission by the Board. The following is a summary changes in long-term debt for the year ended June 30, 2013.

Description	Amount of Original Issue	Maturity	Interest Rates	Balance 6/30/2012	Retired 6/30/2013	Balance 6/30/2013
1995 A	\$ 50,000	2015	5.94%	\$ 11,589	\$ 3,640	\$ 7,949
1997 A	125,000	2017	6.02%	50,000	10,000	40,000
	<u>\$ 175,000</u>			<u>\$ 61,589</u>	<u>\$ 13,640</u>	<u>\$ 47,949</u>

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 3 – Bonds Payable (continued)**

The annual debt service requirements to maturity, for long-term debt as of June 30, 2013, are as follows:

Year Ended June 30,	Principal	Interest
2014	13,859	2,639
2015	14,090	1,858
2016	10,000	1,063
2017	10,000	525
	47,949	6,085
Less current portion	(13,859)	(2,639)
Total	34,090	3,446

**Note 4 – Intergovernmental Revenue**

In February of 2006, the West Calcasieu Airport Managing Board entered into an amendment of the Joint Services Agreement with the Board of Commissioners of the Chennault Industrial Airpark Authority, whereby the Chennault Industrial Airpark Authority agreed to transfer annually, for the tax collection period 2006 through 2015, the amount of two hundred thousand dollars (\$200,000) to the West Calcasieu Airport Managing Board. The joint services agreement also increased the payments beginning with tax year 2005, the last year of the original agreement from one hundred twenty thousand dollars (\$120,000) to two hundred thousand dollars (\$200,000). The funds will be used for the purpose and undertaking of the construction, acquisition, and improvement of public aviation projects or improvements to promote parish wide economic development.

**Note 5 – Board of Commissioners Per Diem**

The members of the governing board received no per diem for the periods ended June 30, 2013.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 6 – Contributed Capital**

Contributed capital at June 30, 2013 consists of the following:

	Balance June 30, 2012	Additions June 30, 2013	Balance June 30, 2013
Federal, State Grants and Parish Grants	\$ 6,231,515	\$ 178,843	\$ 6,410,358
Contributions from West Calcasieu Port, Harbor, and Terminal District	882,951	-	882,951
Contributions from Industrial Development Board of the City of Sulphur, Inc.	853,725	-	853,725
Donation of Land	649,700	-	649,700
Other	10,000	-	10,000
	<u>8,627,891</u>	<u>178,843</u>	<u>8,806,734</u>
Less Accumulated Depreciation on Fixed Assets Acquired by Contributed Capital	4,261,836	291,214	4,553,050
	<u>\$ 4,366,055</u>	<u>\$ (112,371)</u>	<u>\$ 4,253,684</u>

**Note 7 – Notes Payable**

The Board entered into a Cooperative Endeavor Agreement dated April 30, 2008 with the Calcasieu Parish Police Jury to assist in the purchase of a privately-owned hangar at the airport. The total amount received was \$165,000, with \$74,250 allocated as a grant and \$90,750 as loan proceeds, with \$16,500 considered short-term. The note is amortized over a period of 10 years with interest at 3.89%, first payment due May 2, 2009.

The Board entered into another Cooperative Endeavor Agreement dated October 17, 2010 with the Calcasieu Parish Police Jury to assist in the construction of six (6) T-Hangars at the airport. The total amount received was \$35,000. The note is amortized over a period of 4 years with interest at 2.00%, first payment due December 1, 2010.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

**Notes to Financial Statements**  
June 30, 2013

**Note 7 – Notes Payable (continued)**

The annual debt service requirements to maturity, for the notes payable as of June 30, 2013, are as follows:

Year Ended June 30,	Principal	Interest
2014	16,149	1,602
2015	10,680	1,168
2016	7,425	1,155
2017	7,425	1,081
2018	7,425	279
	49,104	5,285
Less current portion	(16,149)	(1,602)
Total	32,955	3,683

**Note 8 – Rental Revenue**

The Board agreed to two (2) ten (10) year leases for the rental of hangar space for a lump sum of \$35,000 each. One lease agreement became effective March 1, 2002 and the second agreement on April 1, 2002. Deferred rental revenue is recognized as lease income at a rate of \$3,500 per year until expired. Both leases provide the lessees with an extension term of ten (10) additional years.

Additionally, hangars and office spaces are also leased on a month-to-month basis.

**Note 9 - Risk Management**

The Board purchases general liability and property insurance from a commercial insurance carrier in order to manage its risk. There were no significant reductions in insurance coverage from the prior year.

**Note 10 – Retirement Benefit**

The Board does not provide retirement benefits. Employees participate in the Social Security system. The Board is not responsible for any post-employment benefits. The Board has only the usual obligation to make current matching payments to the Social Security system for active employees.

**Note 11 – Major Customer**

Sales, rentals, and service income from one major customer was approximately 71% of total sales, rentals, and service income for the year ended June 30, 2013. The amount due from this customer, included in trade receivables, was \$19,711, or 31%, for the year ended June 30, 2013.

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

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**Notes to Financial Statements**  
June 30, 2013

**Note 12 – Construction Commitments**

The Board has one (1) active construction commitment as of June 30, 2013. At year end, the amount spent to date was \$350. on the fuel farm project, with a remaining projected commitment of \$175,350.

**Note 13 – Subsequent Event**

Subsequent events were evaluated through December 1, 2013, which is the date the financial statements were available to be issued.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
West Calcasieu Airport Managing Board  
Sulphur, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of West Calcasieu Airport Managing Board, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise West Calcasieu Airport Managing Board's basic financial statements, and have issued our report thereon dated November 19, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered West Calcasieu Airport Managing Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Airport Managing Board's internal control. Accordingly, we do not express an opinion on the effectiveness of West Calcasieu Airport Managing Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether West Calcasieu Airport Managing Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any purpose.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

Sulphur, Louisiana

December 1, 2013

**WEST CALCASIEU AIRPORT MANAGING BOARD**  
Sulphur, Louisiana

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Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

We have audited the financial statements of the West Calcasieu Airport Managing Board, a component unit of the Calcasieu Parish Police Jury, the West Calcasieu Port, and the Industrial Development Board of the City of Sulphur, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated December 1, 2013. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2013 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses             Yes X No      Other Conditions             Yes X No

Compliance

Compliance Material to Financial Statements             Yes X No

**Section II Financial Statement Findings**

There were no current year financial statement findings.